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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/661,763	09/11/2003	Timothy H. Heaton	03-1072	8158
63710 7590 09/01/2009 DEAN P. ALDERUCCI CANTOR FITZGERALD, L.P. 110 EAST 59TH STREET (6TH FLOOR) NEW YORK, NY 10022				
EXAMINER SHRESTHA, BLEENDRA K				
ART UNIT 3691		PAPER NUMBER		
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/661,763

Applicant(s)

HEATON, TIMOTHY H.

Examiner

BIJENDRA K. SHRESTHA

Art Unit

3691

Period for Reply -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 29 April 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-5, 8-11, 13 and 16-25 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-5, 8-11, 13 and 16-25 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB-08)
- Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
- Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Applicant filed request for pre-appeal conference on 04.29/2009. The Pre-appeal conference decision of 06/23/2009 was made to reopen the prosecution. The rejection is withdrawn and the application is prosecuted as a new office action as set forth below.

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-5, 8-11, 13 and 16-25 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Regarding claims 1, it appears that the claimed method steps could simply be performed by mental process alone and are not statutory. Claim 1 are directed towards steps of "displaying to a participant.....", "receiving from the participant", "receiving from a Repurchase desk....." and "displaying to the participant" without including another machine. Since the claims are directed to a process without including another machine, these claims fall within the scope of human intelligence alone, and are non-statutory. The dependent claims 2-5, 8-13 and 16-25 which depend upon independent claim 1 evidently rejected under 35 U.S.C. 101.

Based on Supreme Court precedent and recent Federal Circuit decisions, a 35 U.S.C § 101 process must (1) be tied to a particular machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981);

Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the particular machine to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, Applicant's method steps are not tied to a particular machine and do not perform a transformation. Thus, the claims are non-statutory.

The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101. *Note the Board of Patent Appeals Informative Opinion Ex parte Langemyer et al.*

3. Claims 1-5, 8-11, 13, and 16-25 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. A forward contract and/or repurchase agreement are considered to be nonfunctional descriptive material because mere arrangements or compilations of facts or data, without any functional interrelationship is not a process, machine, manufacture, or composition of matter according to MPEP §2106.02. Finally, a forward contract and/or repurchase agreement by itself is a recitation of duties and obligations which render the claim directed to nonstatutory subject matter.

Also, MPEP § 2107.01 states an invention that is not a machine, an article of manufacture, a composition or a process cannot be patented. See Diamond v. Chakrabarty, 447 U.S. 303, 206 USPQ 193 (1980) and Diamond v. Diehr, 450 U.S. 175, 209 USPQ 1 (1981).

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 1-4 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 1-4 rejected for failing to distinctly claim the subject matter by using indefinite language "may be" in the claim recitation. This language indicates the step subsequent to "may be" is considered to be optional and not required. The Examiner will consider this to be an indication that the step is optional. Appropriate correction is required.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1-5, 8 and 17-20 are rejected under 35 U.S.C. 103(a) as being anticipated by Finkelstein et al., U.S. Pub No. 2001/0037284 (reference A in attached PTO-892) in view of Dwin, U.S. Pub. No. 2004/0030638 (reference B in attached PTO-892).

8. As per claim 1, Finkelstein et al. teach a method comprising the steps of:
displaying to a participant on a display screen device a first graphical interface that comprises:

(i) information on at least one related to a financial instrument (see Fig. 3, paragraph [0110]; where dealer displays financial instruments Agency Overnight, and US Treasury Overnight);

(ii) a selectable tab associated with the at least one financial instrument, wherein a selection of the selectable tab by the participant causes a second graphical interface to be displayed to the participant, the second graphical interface comprising price information for at least a first forward position contract for the financial instrument, wherein the first forward contract has a specified settlement date and wherein the price information for the first forward contract comprises at least one price at which the financial instrument may be transacted at the specified settlement date (see Fig. 3, paragraph [0110] and [0073]; where dealer displays of two financial instrument and details corresponding repurchase agreement is displayed to investor in Fig. 4 in second graphical user interface with details such as term, rate, start date and end date)

receiving from the participant a selection of selectable tab (see Fig. 4, paragraph [0110]; where investor communicate with dealer by selecting one of the opportunities

presented by the dealer, the selection includes amount, rate, days and collateral for Agency Overnight (MEPP 3.50 O/N(1)) and

based at least in part on receiving the selection of the selectable tab:

receiving (from dealer) at least one price at which the financial instrument may be transacted at the specified settlement date (see Fig. 3; paragraph [0110]; where dealer lists two types of opportunities Agency Overnight and US treasury Overnight, the dealer seeks to set repurchase agreement for the securities and get finance his activities as displayed in graphical user interface);.

displaying to the participant the second graphical interface, including first forward position contract, wherein the displayed price information for the first forward contract comprises the at least one price obtained from the Repurchase desk (see Fig. 4; where rate (price) for repurchase agreement is displayed to and selected by investor).

Finkelstein et al. do not teach use of Repurchase desk to facilitate repurchase agreement between a dealer and an investor.

Dwin teaches use of Repurchase desk to facilitate repurchase agreement between a dealer and an investor (Dwin, Fig. 4, Repo Desk (44), paragraph [0030] and [0049]; Fig. 8, Repo Desk Device (102), paragraph [0074]; where repurchase desk device used by buyer(dealer) to facilitate repurchase agreement).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include use of Repurchase desk to facilitate repurchase agreement between a dealer and an investor of Finkelstein et al. because Dwin teaches

including above features would enable to enter repurchase agreement into in an efficient manner (Dwin, paragraph [0074], last sentence).

9. As per claim 2, Finkelstein et al. in view of Dwin teach claim 1 as described above. Finkelstein et al. further teach the method, wherein

the information on the financial instrument comprises at least one trade price at which the financial instrument may be settled at a next day (see Fig. 3; where rate for term for O/N (1) is 3.50%).

10. As per claim 3-4, Finkelstein et al. in view of Dwin teach claim 2 as described above. Finkelstein et al. further teach the method, wherein

displaying to the participant at least one trade price obtained from Investor (see Fig. 3; where Investor select one of the financial instrument made available by the dealer).

Finkelstein et al do not teach a repurchase desk and the financial instrument are immediately settled.

Dwin teaches a repurchase desk and the financial instrument are immediately settled (Dwin, Fig. 4, Repo Desk (44), paragraph [0030]; paragraph [0027]).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include a repurchase desk and the financial instrument are immediately settled of Finkelstein et al. because Dwin teaches including above features would enable to enter repurchase agreement into in an efficient manner (Dwin, paragraph [0074], last sentence) and make fund immediately available to seller or dealer.

11. As per claim 5, Finkelstein et al. in view of Dwin teach claim 1 as described above. Finkelstein et al. further teach the method, wherein

the financial instrument comprises an interest-rate related instrument (Examiner notes treasury and agency securities are interest-rate related securities).

12. As per claim 8, Finkelstein et al. in view of Dwin teach claim 1 as described above. Finkelstein et al. further teach the method, wherein the participant, further comprises price information for at least a second forward contract for the financial instrument:

wherein the second forward contract has a specified settlement date different from the settlement date of the first forward contract (see Fig. 3, Dealer Summary; Start Date, End Date; where three repurchase agreement (forward contract) with three different settlement dates are displayed); and

wherein the price information for the at least second forward contract is determined from the at least one price obtained from the Repurchase desk (see Fig. 3, Dealer Summary, Rate; where investor or repurchase desk provides rate (price) for repurchase agreement).

13. As per claim 17, Finkelstein et al. in view of Dwin teach claim 1 as described above. Finkelstein et al. further teach the method, wherein

the specified settlement date of the first forward contract is greater than a next day (see Fig. 3; where settlement date of term for repo are 1 week and two weeks).

14. As per claim 18, Finkelstein et al. in view of Dwin teach claim 1 as described above. Finkelstein et al. further teach the method, wherein

the financial instrument comprises a fixed income security (see Fig. 3 and 4; where Agency and US Treasury are fixed income security).

15. As per claims 19, Finkelstein et al. in view of Dwin teach claim 1 as described above. Finkelstein et al. further teach the method, comprising

the step of communicating to a trading system a request to sell the first forward contract at a first price (see Fig. 3; where dealer proposes to sell Agency and US Treasury forward contract (Repo);

Finkelstein et al. do not teach the request causes the trading system to: purchase, from the Repurchase desk, the financial instrument at a second price; and sell the purchased financial instrument at the second price for immediate settlement; and wherein the request further causes the trading system, at the specified settlement date of the first forward contract, to: repurchase the financial instrument at a third price for immediate settlement; and sell, to the Repurchase desk, the repurchased financial instrument at the first price.

Dwin teaches the request causes the trading system to: purchase, from the Repurchase desk, the financial instrument at a second price; and sell the purchased financial instrument at the second price for immediate settlement; and wherein the request further causes the trading system, at the specified settlement date of the first forward contract, to: repurchase the financial instrument at a third price for immediate

settlement; and sell, to the Repurchase desk, the repurchased financial instrument at the first price (Dwin, Figs. 5A and 5B and 6; paragraph [0062-0063])

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include the trading system to: purchase, from the Repurchase desk, the financial instrument at a second price; and sell the purchased financial instrument at the second price for immediate settlement; and wherein the request further causes the trading system, at the specified settlement date of the first forward contract, to: repurchase the financial instrument at a third price for immediate settlement; and sell, to the Repurchase desk, the repurchased financial instrument at the first price of Finkelstein et al. because Dwin teaches including above features would enable to reduce or manage risk associated with investment in securities (Dwin, paragraph [0047]).

16. As per claim 20, Finkelstein et al. in view of Dwin teach claim 1 as described above. Dwin further teaches reverse repurchase agreement between repo desk, lender and short seller as shown Fig. 4 and paragraphs [0010] and [0050]). Examiner notes that steps in claims 20 and 25 are that is described in claim 19 and 24 except it is reverse repurchase agreement which is taught by Finkelstein et al. (paragraph [0005]). Finkelstein et al. further teach establishing a match book linking repurchase agreement with respective reverse repurchase agreement (see paragraph [0070] and [0072]).

17. Claims 9 -11, 13, 16 and 21-25 are rejected under 35 U.S.C. 103(a) as being anticipated by Finkelstein et al., U.S. Pub No. 2001/0037284 (reference A in attached

PTO-892) in view of Dwin, U.S. Pub. No. 2004/0030638 (reference B in attached PTO-892) further in view of Jones et al, U.S. Pub No. 2004/0133494 (reference C in attached PTO-892)

18. As per claim 9, Finkelstein et al. in view of Dwin teach the method as described in claim 1 above. Finkelstein et al. further teach the method comprising the steps of:

obtaining from a Repurchase desk Dealer) a cost of borrowing the financial instrument for a particular period of time; based as least in part on the cost obtained from the Repurchase desk, determining price information for at least a first forward contract for the financial instrument and causing a display device to display to a participant information on at least one financial instrument (see Fig. 3; paragraph [0110]; where dealer or repurchase desk displays two financial instrument Agency O/N(1) and UST O/N (1)) for funding from investors/participants, display include rate for three types of Agency issued securities and specific Start and End Dates),

receiving from the participant a request to obtain price information for at least one forward contract for the financial instrument (see Fig. 4, paragraph [0110]; where participant or investor select financial instrument Agency O/N (1) and communicate with dealer or repurchase desk which include price information of \$500,000, interest rate and collateral); and

based at least in part on the request received from the participant, causing the display device to display to the participant the price information determined for the first forward contract (see Fig. 4; paragraph [0110]; selection one financial instrument

Agency O/N (1) causes display device to display Product MERR (100,000MM)for rate 3.5%).

Finkelstein et al. do not teach the forward contract has a specified settlement date and wherein the price information for the first forward contract comprises at least one price at which the financial instrument may be transacted at the specified settlement date.

Jones et al. teach the forward contract has a specified settlement date and wherein the price information for the forward contract comprises at least one price at which the financial instrument may be transacted at the specified settlement date (Jones et al., paragraph [0017]).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include the forward contract has a specified settlement date and wherein the price information for the forward contract comprises at least one price at which the financial instrument may be transacted at the specified settlement date of Finkelstein et al. because including above features would enable to reduce respective risks of both the parties involved in the transaction.

19. As per claim 10, Finkelstein et al. in view of Dwin further in view of Jones et al. teach claim 9 as described above. Claim 10 is rejected under same rational as claim 2 described above.

20. As per claim 11, Finkelstein et al. in view of Dwin further in view of Jones et al. teach claim 10 as described above. Claim 10 is rejected under same rational as claim 3 described above.

21. As per claim 13, Finkelstein et al. in view of Dwin further in view of Jones et al. teach claim 9 as described above. Claim 13 is rejected under same rational as claim 5 described above.

22. As per claim 16, Finkelstein et al. in view of Dwin further in view of Jones et al. teach claim 9 as described above.

Finkelstein et al. further teach obtaining from the Repurchase desk (dealer) a second cost of borrowing the financial instrument for a second particular period of time; based as least in part on the second cost obtained from the Repurchase desk, determining price information for at least a second forward contract (see Fig. 3, paragraph [0110]; where Dealer or Repurchase Desk presents cost (Rate) for borrowing Agency securities for three different time periods, Overnight (O/N), One Week and Two Week)

the second forward contract has a specified settlement date different from the settlement date of the first forward contract (see Fig. 3; Dealer Summary; where different settlement date for three repurchase agreement is illustrated); and

based at least in part on the request received from the participant, causing the display device to display to the participant the price information determined for the second forward contract (see Fig. 3; Dealer Summary, Rate; where rate for three forward contract is displayed to Investors or participants and Investors makes their selection as shown in Fig. 4).

23. As per claim 21, Finkelstein et al. in view of Dwin further in view of Jones et al. teach claim 9 as described above. Claim 21 is rejected under same rational as claim 10 described above.

24. As per claim 22, Finkelstein et al. in view of Dwin further in view of Jones et al. teach claim 9 as described above. Claim 10 is rejected under same rational as claim 18 described above.

25. As per claim 23, Finkelstein et al. in view of Dwin further in view of Jones et al. teach claim 9 as described above. Finkelstein et al. further teach the method, wherein determining the price information for the first forward contract comprises determining the price information (see paragraph [0006]) based at least in part on:

cost obtained from the Repurchase desk (see Fig. 3, paragraph [0110]; where Dealer or Repurchase Desk presents cost for three types of Agency securities O/N (1), 1WK (7) and 2WK (14) in terms of interest rate in %); and

at least one of a bid price and an offer price for the financial instrument as obtained from a market for the financial instrument (see Fig. 3 and 4; where investor post bid in Fig. 4, Investor Posted for offer made by Dealer or Repurchase Desk in Fig.4, Dealer Summary).

26. As per claim 24, Finkelstein et al. in view of Dwin further in view of Jones et al. teach claim 9 as described above. Claim 24 is rejected under same rational as claim 19 described above.

27. As per claim 25, Finkelstein et al. in view of Dwin further in view of Jones et al. teach claim 9 as described above. Claim 25 is rejected under same rational as claim 20 described above.

Conclusion

28. The prior art made of record and not relied upon is considered pertinent to applicant's disclosures. The following are pertinent to current invention, though not relied upon:

Aberman et al. (U.S. Pub No. 2006/0218069) teach financial instrument and methods.

Blauvelt et al. (U.S. Pub No. 2002/0091625) teach methods and systems for matching short trading positions with long trading positions and automatically generating repo and reverse purchase agreements.

Bushonville et al. (U.S. Pub No. 2001/0034687) teach service contracts and commodities market for trading service contracts.

Hecht (U.S. Pub No. 2004/0267657) teaches method for valuing forwards, futures and options on real estate.

Jain et al. (U.S. Patent No. 6,343,278) teach combined order limit for a group of related transactions in an automated dealing system..

Leistner (U.S. Pub No. 2005/0044026) teaches system and method for identification of quasi-fungible, goods and services, and financial instruments based thereon.

Mosler et al. (U.S. Patent No. 6,304,858) teach method, system, and computer product for trading interest swaps.

May (U.S. Patent No. 6,996,540) teaches system for switch auctions using risk portfolios of plurality of traders.

Norris et al. (U.S. Pub No. 2003/0074360) teach repurchase agreement lending facility.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Bijendra K. Shrestha whose telephone number is (571) 270-1374. The examiner can normally be reached on 7:00 AM-4:30 PM (Monday-Friday); 2nd Friday OFF.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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